

2004 License Renewals

Tax season is over and it is now time for one half of Kentucky's CPA's to get ready to renew their license to practice. On July 1, 2004 all even-numbered licenses will expire. To renew the license, you must complete and return the renewal application form (which will be mailed this month) with a check in the amount of \$100 to the State Board. The form and check must be **received** in the Board office **prior to July 1, 2004**.

Continuing Professional Education: When completing the renewal form you will want to pay particular attention to the section concerning continuing professional education (CPE). The reporting period for the renewal of your license--meaning that period of time when the CPE courses for renewal of the license this year should have been completed--is the two preceding calendar years: January 1, 2002 through December 31, 2003.

Renewal Requirement	Exemptions	Waivers
<p>The number of CPE hours required to renew your license depends on your area of practice during the reporting period as described below:</p> <ul style="list-style-type: none"> 3,000 hours or more in a public accounting firm – 80 hours 3,000 hours or less in a public accounting firm – 60 hours Employed in industry, education, government or not employed – 60 hours 	<p>CPA who have reached the age of 65 by July 1st and have been continuously licensed for 25 years may request an exemption from CPE.</p> <p>This is done by checking the appropriate block on the back of the renewal notice.</p>	<p>The Board grants waivers from the CPE requirements on a case-by-case basis. The request must be approved by the Board prior to renewal.</p> <p>Waivers are granted for the following reasons:</p> <ul style="list-style-type: none"> Retirement Physical or psychological reasons Severe personal hardship <p>The CPE Waiver Request form can be downloaded from the Board's website at http://cpa.ky.gov.</p>

If you cannot report the required number of CPE hours, your license will not be renewed until the hours are obtained. If your license is not renewed by July 1, the license expires and state law prohibits you from practicing public accounting or holding out as a CPA until the license is renewed. While the Board has procedures to allow you to renew your license after July 1 you are still prohibited from practicing public accounting or holding out as a CPA until your license is renewed.

If you renew **after July 1**, you must satisfy the following additional requirements:

Renewal Between	July 2 to Aug. 31	Sept. 1 to Oct. 31	Nov. 1 to Dec. 31
License Fee	\$125	\$150	\$200
Additional Requirements	None	Submit course completion documents to support CPE hours reported	Submit course completion documents to support CPE hours reported

If the license is not renewed your name is removed from the Board's database and you must apply for reinstatement of the license.

New Law Regarding Reporting of Student Loans: Individuals renewing in 2004 should also be aware that legislation was passed during the 2002 session of the General Assembly, which requires that you provide information regarding whether or not you have any outstanding student loans. **This information is required by KRS 164.772.** This statute requires the Board to withhold renewal of the license of a CPA found to be in default. Therefore, a question appears on the license renewal notice regarding this matter. Since this question first appeared on the renewal notices for those licensees renewing in 2003, we felt it prudent to advise all licensees renewing in 2004 of this requirement. It should be noted that failure answer this question will result in your renewal notice being returned to you.

Peer Review Requirements: Another facet of the renewal process is the peer review requirements for firms that perform attest services. Proof of enrollment in a peer review program must be submitted with the renewal form for sole proprietors and public accounting firms that fall within these requirements. Proof of enrollment consists of submitting a copy of the final acceptance letter issued by the Kentucky Society of CPAs indicating acceptance of the peer review by a Report Acceptance Body (“RAB”) and the due date of the next review (*see sample letter below*). NOTE: If you are unable to locate your firm’s peer review acceptance letter, you may request a copy from the Society by e-mailing Peer Review Manager Vicki Blair at vblair@kycpa.org. Due to strict standards regarding confidentiality the Society cannot provide the State Board a copy of this letter. Include your FAX number when requesting a copy of this letter from the Society. Allow at least seven (7) days for your request to be processed.

Some firms will not be able to provide the acceptance letter due to the proximity of their peer review date to the license renewal date. The State Board and Kentucky Society work closely with these individuals and firms to assist them in meeting the peer review requirement necessary for the license renewal. If you fall into this category and have not yet scheduled your review, you need to act immediately. It takes a *minimum* of four weeks from the time the review is *completed* to the final acceptance process (the *AICPA Standards* allows up to 120 days). If you are concerned this problem may exist with your firm, please contact Debby Abell at the Board at 502.595.3037 or Society Peer Review Manager Vicki Blair at 502.266.5272 as early as possible to avoid problems with renewing your firm license. A list of qualified peer reviewers is available on the Society’s website at www.kycpa.org.

Sample Text of Peer Review Acceptance Letter:

Dear Mr/Ms: “It is my pleasure to notify you that on (*Date*) the Task Force 1 South Central accepted the report on the most recent peer review of your firm. The due date for your next review is (*Date*). This is the date by which all review documents should be completed and submitted to the administering entity. Thank you for your firm’s participation in the AICPA Peer Review Program.” Cc: Reviewer

Renewal Questions? Contact the Board staff at 502.595.3037 or email cpa@ky.gov